Virginia Department of Social Services (VDSS)

Neighborhood Assistance Tax Credit Program (NAP)

FY 2019-2020 Application Review

The information provided is specific to organizations submitting an application to the VDSS and does not include details for an education organization applying to the Department of Education (DOE).

Purpose of Program

- NAP was established in 1981 by the Virginia General Assembly and works to encourage businesses, trusts or individuals to donate directly to NAP-approved non-profit organizations whose primary function is providing services to a low-income person.
 - "Low-income person" means an individual whose family's annual household income is not in excess of 300 percent of the current federal poverty guidelines.
- An individual, business, including a trust, may be eligible to receive tax credits when making a qualified donation. The NAP organization may offer tax credits up to a maximum of 65 percent of the value of the donation.

Tax Credits

- \$17 million in tax credits
 - \$8 million for general human services organizations
 - Administered by VDSS
 - \$9 million for education organizations
 - Administered by DOE
 - Organizations are approved for 12-months.
 - (July 1st June 30th)
- Organizations must reapply each year by the first business day of May.

Allocation Process

Current participants

- The allocation for FY 2019 2020 will be determined based on the average amount of tax credits used over the last four years or less depending on the number of years in the program.
 - ✓ Amounts may be reduced to stay within the Code of Virginia caps.
 - ✓ Donor forms (CNF) must be received in the NAP office no later than June 18th in order to be added to the organization's the 4-year average usage calculation for FY 2019 2020.
- No set aside amount for a new NAP participant.
- The full \$8 million is allocated by July 1st.

Code of Virginia Affiliate Rule

- § 58.1-439.20 of the Code "In order for a proposal to be approved, the applicant neighborhood organization and any of its affiliates shall meet the requirements of the application regulations or guidelines.
 - This rule does not apply if an organization received an allocation of NAP tax credits in Fiscal Year 2013-2014.
- "Affiliate" means with respect to any person, any other person directly or indirectly controlling, controlled by, or under common control with such person. For purposes of this definition, "control" (including controlled by and under common control with) shall mean the power, directly or indirectly, to direct or cause the direction of the management and policies of such person whether through ownership or voting securities or by contract or otherwise.

Eligibility Requirements

The applicant and any of its affiliates must:

- be exempt from income taxation under the provisions of § § 501(c)(3) and 501(c)(4) IRS code;
- must have been in operation providing neighborhood assistance to low-income persons for at least 12 months;
- must demonstrate at least 75 percent of total revenue received is expended to support their ongoing programs each year;
- must demonstrate at least 50 percent of the people served are low-income;
- must demonstrate at least 50 percent of the total revenue is used to provide services to low-income persons;
- the audit, review or compilation must not contain any significant findings or areas of concern for the ongoing operation of the neighborhood organization.

Eligibility Requirements

- The applicant and each affiliated entity must have financial statements for the most recent year ended either audited, reviewed, or a compilation prepared by an <u>outside independent certified</u> public accountant.
 - If the total revenue for most recent year ended is greater than \$100,000, the financial statements must be either audited or reviewed.
 - If the total revenue for the most recent year ended is no greater than \$100,000, then the financial statements may be compiled, provided that the financial statements do not omit all of the disclosures required by the financial reporting framework.
 - Example of most recent year ended: 1/1/18 12/31/18, 7/1/17 6/30/18, 10/1/17 9/30/18, 5/1/17 4/30/18 or other current dates.

Application

The Neighborhood Assistance Program <u>application instructions</u> and <u>application</u> for FY 2019 – 2020 can be found on the Virginia Department of Social Services web page under <u>Announcements</u>:

http://www.dss.virginia.gov/community/nap.cgi

Read the instructions prior to completing the application.

- Line 1 Enter the official name of the organization (No abbreviations or acronyms). The name listed must match the 501 (c) (3) document.
- Line 2 Enter the federal identification number.
- Line 3 Enter the business mailing address.

1.	Organization Name:	
2.	Federal ID #:	
3.	Business Mailing Address: PO Box or Street: City, State, Zip:	

- Line 4 Enter the phone number that you would prefer to have published on the VDSS web page.
- Line 5 Enter the fax number.
- Line 6 Enter the name, title and email address of the CEO or Executive Director.
- Line 7 Enter the name, title and email address of the staff person who will be administering NAP on behalf of the organization.

4.	Phone Number:					
5.	Fax Number:					
6.	Name, Title and Email address of CEO or Executive Director: Name: Title: Email address:	Mr.	Ms.	Mrs.	Dr.	
7.	Name, Title and Email address of Contact Person for NAP: Name: Title:	Mr.	Ms.	Mrs.	Dr.	
	Email address:					

- Line 8 Provide the neighborhood organization's website information.
- Line 9 Enter the city or county of main office.
- Line 10 Enter the code for type of service offered (refer to the instructions).
- Line 11 Did this organization receive an allocation of NAP tax credits from VDSS for FY 2018 – 2019? Yes or No

8. Web Site:	
9. City or County of Main Office:	
 Code for Type of Services Offered: (Enter only one code) (Refer to the instructions) 	
 Did this organization receive an allocation of NAP tax credits from VDSS for FY 2018 – 2019? 	Yes No

1 - Youth / Domestic Violence Shelter	12 - Substance Abuse Counseling
2 - Homeless Shelter	13 - Food Banks
3 - Housing	14 - Job Training / Employment Services
4 - Youth Activities / Youth Center	15 - Literacy Programs
5 - Home / Center for the Disabled	16 - Child Care Programs
6 - Comprehensive Emergency Services	17 - Water / Waste Water Program
7 - Senior Citizens Services	18 - Transportation Service
8 - Legal Services	19 - Ex-Offender Services
9 - Health Care Services	20 - AIDS Program Related Services
10 - Teen Pregnancy / Family Planning / Counseling	21 – Other

- Line 12 Does this organization operate an on-site health clinic? Yes or No
- Line 13 Did this organization merge with another VDSS NAP organization within the past four years? Yes or No
 - If yes, list name of other organization.
- Line 14 Does the organization have any affiliated entities indicated in the audit, review, compilation or Federal Form 990?
 - If yes, list the name(s) of each affiliated entity.
 - If yes, but you received an allocation of tax credits in 2013-2014, then enter "received an allocation of tax credits in 2013-2014.

12. Does this organization operate an on-site health care clinic?	
	Yes No
Did this organization merge with another VDSS NAP organization over the past four years?	Yes No If yes, list name of other organization:
14. Does this organization have any affiliated entities indicated in the audit, review or compilation report?	Yes No If yes, list the name(s) of each affiliated entity:
Enter name of each affiliated entity:	

- Line 15 enter the total amount of anticipated NAP eligible donations the organization expects to receive beginning July 1, 2019 to June 30, 2020 to support low-income people.
 - An individual donation of at least \$500, but no more than \$125,000 in a taxable year or a business, including a trust, donation of at least \$616 in a taxable year may qualify as NAP eligible. (Refer to instructions for restrictions).
- 15. Enter the <u>anticipated amount of NAP eligible</u> donations the organization expects to receive from 7/1/19 6/30/20 to support low-income people. (Refer to the instructions)



- Attachment A must be completed by the applicant and any of its affiliated entities.
- If the table pertains to the affiliated entity, list the name of the affiliated entity in the upper box and the name of the applicant organization in the lower box.

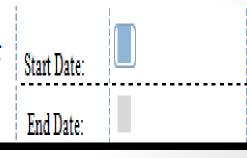
Name of Applicant Organization or Affiliated Entity:	
If Affiliated Entity is listed above, provide the name of Applicant Organization:	

ATTACHMENT A CERTIFICATION OF INCOME LEVELS SERVED

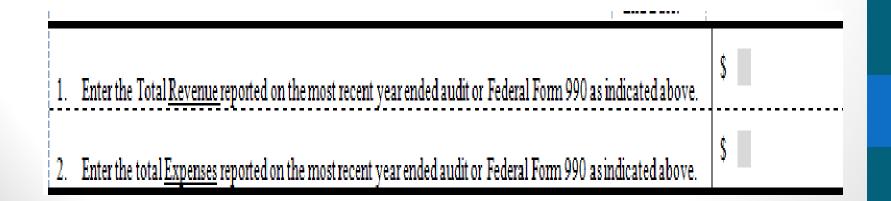
A separate Attachment A is provided for an organization that is a food bank.

- Enter the time period used to complete the table. Complete the table using data from the most recent year ended audit, review or compilation. (Example of most recent year ended: 1/1/18 12/31/18, 7/1/17 6/30/18, 10/1/17 9/30/18, 5/1/17 4/30/18 or other current dates).
- For new applicants, the time periods that may be used for determining the number of low-income persons served by your organization include (i) the most recent calendar year ended, (2018), (ii) completed program year, (2017-2018), or (iii) the organization's most recent fiscal year ended.
- For *returning applicants*, the time period for determining the number of low-income persons served by the organization must be the same period used for last year's application.
 - ✓ Note: The time period for determining the number of low-income persons served cannot be for any period after the submission date of this application.

Enter the time period used to complete the table from the most recent year ended audit, review or compilation or Federal Form 990 as indicated above.



- <u>Line 1 & 2</u> Enter the total revenue and expenses reported on the most recent year ended audit, review or compilation. (Example of most recent year ended: 1/1/18– 12/31/18, 7/1/17 6/30/18, 10/1/17 9/30/18, 5/1/17 4/30/18 or other current dates).
 - Complete the chart using the numbers from most recent year ended Federal Form 990 if the audit, review or compilation has not been completed.
 - ✓ Mark the numbers as unaudited if the CPA has not finalized the most recent year ended audit or Federal Form 990 used for completing Attachment A.

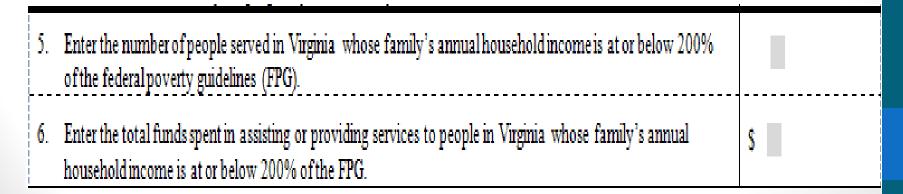


<u>Line 3 & 4</u> - The requested information <u>must include all of the</u>
<u>programs</u> within the organization and reflect the <u>total operation</u> of the
<u>organization</u>, not just one or more programs conducted by the
organization. If an individual received more than one type of service,
<u>only count the person once – this an unduplicated count.</u>

- Line 3 Enter the total number of people assisted by or using services for **all of the programs** provided by the organization during the most recent calendar year, program year or fiscal year.
- Line 4 Enter the total funds spent assisting or providing services to
- 3. Enter the total number of people assisted by or using services for <u>all of the programs provided</u> by the organization during the most recent calendar year, program year, or fiscal year.
- 4. Enter the total funds spent in assisting or providing services **for all of the programs provided** to people during the most recent calendar year, program year, or fiscal year.

Use the Federal Poverty Guidelines included in the application instructions to determine household income of clients served.

- Line 5 Enter the number of people <u>served in Virginia</u> whose family's annual household income is at or below 200 percent of the federal poverty guidelines (FPG).
- Line 6 Enter the total funds spent in assisting or providing services to people in <u>Virginia</u> whose family's annual household income is at or below 200 percent of the FPG.



2019 FEDERAL POVERTY GUIDELINES (FPG)

Household Size	100%	200%	300%				
1	\$ 12,490	\$ 24,980	\$ 37,470				
2	\$ 16,910	\$ 33,820	\$ 50,730				
3	\$ 21,330	\$ 42,660	\$ 63,990				
4	\$ 25,750	\$ 51,500	\$ 77,250				
5	\$ 30,170	\$ 60,340	\$ 90,510				
6	\$ 34,590	\$ 69,180	\$ 103,770				
7	\$ 39,010	\$ 78,020	\$ 117,030				
8	\$ 42,380	\$ 84,760	\$ 127,140				

For families/households with more than 8 persons, add \$4,320 for each additional person.

2018 FEDERAL POVERTY GUIDELINES (FPG)

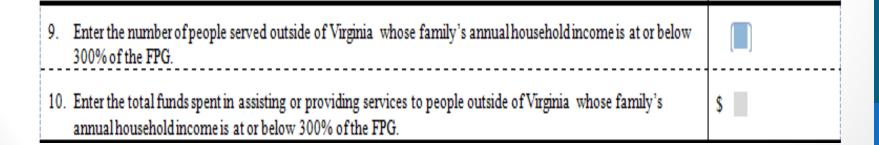
Household Size	100%		200%		3	300%
1	\$ 12,1	40	\$	24,280	\$	36,420
2	\$ 16,4	160	\$	32,920	\$	49,380
3	\$ 20,7	780	\$	41,560	\$	62,340
4	\$ 25,1	100	\$	50,200	\$	75,300
5	\$ 29,4	120	\$	58,840	\$	88,260
6	\$ 33,7	740	\$	67,480	\$	101,220
7	\$ 38,0	060	\$	76,120	\$	114,180
8	\$ 42,3	880	\$	84,760	\$	127,140

For families/households with more than 8 persons, add \$4,320 for each additional person.

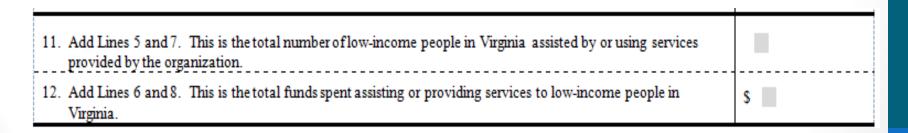
- Line 7 Enter the number of people <u>served in Virginia</u> whose family's annual household income is above 200 percent but at or below 300 percent of the federal poverty guidelines (FPG).
- Line 8 Enter the total funds spent in assisting or providing <u>services</u> to people in Virginia whose family's annual household income is above 200 percent but at or below 300 percent of the FPG.

 	7.	Enter the total number of people served in Virginia whose family's annual household income is above 200% but at or below 300% of the FPG.	
 	8.	Enter the total funds spent in assisting or providing services to people in Virginia whose family's annual household income is above 200% but at or below 300% of the FPG.	\$

- Line 9 Enter the number of people served outside of Virginia whose family's annual household income is at or below 300 percent of the FPG.
- Line 10 Enter the total funds spent in assisting or providing services to people outside of Virginia whose family's annual household income is at or below 300 percent of the FPG.



- Line 11 (Line 12 if using Attachment A for a food bank). Add Lines 5 and 7 (Add lines 6 and 8 for a food bank). This is the total number of low-income people in Virginia assisted by or using services provided by the organization.
- Line 12 (Line 13 if using Attachment A for a food bank). Add Lines 6 and 8.
 (Add lines 7 and 9 for a food bank). This is the total funds spent assisting or providing services to low-income people in Virginia.



\$

- Add Lines 6 and 8. This is the total number of agencies receiving food that provided services to low-income people in Virginia.
- Add Lines 7 and 9. This is the total funds spent providing food to agencies that provided services to low-income people in Virginia.

Attachment A1 Income Levels Served

A separate Attachment A1 is provided for an organization that is a food bank.

- Describe the data, resources, procedures and methodology used to determine the income levels of the total persons served. Be specific about what data is used to determine if the person served has a household income that is not in excess of 300 percent of the federal poverty guidelines, and how this data is acquired.
- Describe how often the household income information is updated.
- If the population you currently serve has changed and does not mirror the information provided on Attachment A, please explain. (If not applicable, write N/A)

Attachment B - Localities Served

 Place an "X" by all localities in which the organization will actively provide services. If the organization provides statewide services place an "X" at Statewide Services.

1	Please check all localities in which the organization will actively provide services. If the organization provides statewide services check here: Statewide Services								
	Accomack		Albermarle		Alexandria City		Alleghany		Amelia
	Amherst		Appomattox		Arlington		Augusta		Bath
	Bedford (Bedford City)		Bland		Botetourt		Bristol		Brunswick
	Buchanan		Buckingham		Buena Vista		Campbell		Caroline
	Carol		Charles City		Charlotte		Charlottesville		Chesapeake
	Chesterfield		Clarke		Colonial Beach		Colonial Heights		Covington
	Craig		Culpeper		Cumberland		Danville		Dickenson
	Dinwiddie		Emporia		Essex		Fairfax		Falls Church

Attachment C – Description of Programs

- Describe the organization's programs. Explain how the organization is meeting the requirement of primarily providing assistance to low-income people in Virginia. Use additional pages as needed.
- Mission Statement and date adopted by Board, if applicable. If the Mission Statement is different from the description shown in the audit report, review, or compilation, please explain:
- If the organization operates an on-site health care clinic in addition to other programs, please describe the type and frequency of services offered at the clinic. (If not applicable, put N/A)
- Describe how NAP donations will be used to support the organization's low-income programs.

Attachment D - Goals/Objectives

- Provide a statement of the organization's program goals/objectives.
- List the measurable outcomes that are expected to occur during
 FY 2019-2020 for ALL of the organization's low-income programs.
- Discuss the method that will be used to evaluate the program's effectiveness.
 Use additional pages as needed.

Attachment E Measurable Outcomes Evaluation Report

List the measurable outcomes/accomplishments that occurred beginning
 July 1, 2018 – present for ALL of the organization's low-income programs. Use additional pages as needed.

A = Actual number of people served at or below 200% of the Federal Poverty Guidelines.

B = Actual number of people served above 200% but at or below 300% of the Federal Poverty Guidelines.

C = Actual number of people served not reported in the columns to the left.

	ACTIVITY/GOAL OUTCOMES ACHIEVED	A	В	С
ACTIVITY / GOAL (previous application)				
OUTCOMES ACHIEVED				
ACTIVITY / GOAL (previous application)				
OUTCOMES ACHIEVED				

Attachment F & G Adjustment to Audited Numbers

- Attachment F & G is only required if the organization's audit review or compilation <u>DOES NOT</u> demonstrate "at least 75 percent of total revenue received is expended to support their ongoing programs each year."
- Attachment F & G must be prepared by a CPA, if required.

Total Unrest	tricted Revenue	from audit	
Addit	ions:		
	In-Kind donations		
	Other (explain on a separate sheet)		
	Gross Revenue		
Less:	Adjustment to cash receipts		
			_
	Deferred Revenue		
	Unrealized Gain		
	Other (explain on a separate sheet)		
	Total Subtractions		
	Adjusted Unrestricted Revenue		

Record In	-Kind Donations if not listed in Audit
Other re	venue additions must be explained on a separate page.
•	stment subtracts year-end unrestricted receivables and adds prior year-end unrestricted receivables as on the balance sheet.
	has been received and recognized as income, but relates to expenses of a future accounting period. Further thought be disclosed in financial statement footnote.
List Unre	alized Gain Recorded as Revenue
	venue subtractions must be explained on a separate page.

Assurance Statements

Sign and date the Assurance Statements

I, the undersigned officer or other person authorized to act on behalf of the organization, declare that this form (including all accompanying attachments and documentation) is, to the best of my knowledge and belief, a true, correct and complete application, made in good faith pursuant to the requirements prescribed by the Virginia Department of Social Services. I understand this application will be denied if not received by the due date or if any part of the application is missing or incomplete.

I assure the Virginia Department of Social Services that any tax credit-derived donations received under the Neighborhood Assistance Act Tax Credit Program will be used to provide services to low-income persons residing in the Commonwealth of Virginia whose family's annual household income is not in excess of 300 percent of the current federal poverty guidelines, collecting all necessary documentation that demonstrates compliance with the household income requirements.

I understand that participating in NAP obligates my organization to keep donor records confidential; work with the donors to assure a timely and accurate completion and submission of the Contribution Notification Forms (CNFs) including supporting documentation for all donations; maintain in my facility and make records pertaining to NAP transactions available to VDSS for a period of five (5) years; and abide by all applicable NAP laws and VDSS regulations

Application - Required Supporting Documents

The documents listed below must be included in the application package.

- A copy of the organization's 501(c) (3) or 501(c) (4) status documentation.
- A copy of the organization's brochure, pamphlet or flyer that describes the programs.
- A copy of the organization's current federal form 990.
- A copy of the Department of Agriculture and Consumer Services (VDACS), Division of Consumer Affairs exemption letter or current registration from the Web site at http://cos.va-vdacs.com/cgi-bin/char_search.cgi OR a copy of VDACS Application for Renewal and a copy of the cancelled check if the organization's registration has expired.

FORM 102 OR EXEMPTION LETTER REQUIRED WITH NAP APPLICATION

Department of Agriculture & Consumer Services

Division of Consumer Protection

Office of Consumer Affairs

102 Governor Street

Richmond, Virginia 23219

Phone: 800-828-1120 or 804-786-1343

Forms are on Internet

www.vdacs.virginia.gov/

Click on Consumers

Click on Charitable Solicitation

Under the Heading

Registered Charitable Organization Database
Click on Search the Registered Charitable Organization

<u>Database</u>

Click in the box beside the Organization Name

Type in the organization's name and click on <u>Search</u>

Click on the correct organization's name

Print the screen showing the organization's registration is

current and submit with the NAP Application

Application - Required Supporting Documents

- A copy of the organization's most recent year ended audit, review or compilation prepared by an outside independent CPA. (<u>If the audit, review or</u> <u>compilation is not ready by the application deadline, the information must</u> <u>be received by VDSS on or before 5:00 p.m. May 31, 2018).</u>
 - Do not submit a copy of the audit, review or compilation with the application unless it meets the requirement: The audit, review or compilation must be for the one of the following periods: 1/1/18–12/31/18, 7/1/17 6/30/18, 10/1/17 9/30/18, 5/1/17 4/30/18 or other current dates.

Application Process

Mail the application and all attachments to:
 Virginia Department of Social Services
 Neighborhood Assistance Program
 801 E. Main Street, 15th Floor

Richmond, VA 23219

The application must be received in the office of VDSS by 5:00 PM, Wednesday, May 1, 2018. Applications received after this date and time will not be accepted.

Application - Required Affiliate Documents

- Application Attachment A Certification of Income Levels Served
- Application Attachment A1 Income Levels Served
- Application Attachment F & G, if applicable
- A copy of the affiliate's federal form 990
- A copy of the affiliate's most recent year ended audit, review or compilation by Friday, May 31, 2018.

Application Package Checklist

- Complete the application checklist to ensure all documents are included.
 - Write N/A if the document is not required. Do not submit the document if it is not required.
 - Measureable Outcomes report, required for current participants.
 - Attachment F & G, required if organization does not meet the 75% program expenditure requirement.
- Write the anticipated date of submission for the audit, review or compilation if not included with the application package.
- The audit, review or compilation for the organization's most current year ended must be received in the office of VDSS by 5:00 p.m. on
 Friday, May 31, 2018.

NAP Resources

If you need additional information on the Neighborhood Assistance Program contact:

Wanda Stevenson Program Manager (804) 726-7924

Jessica Jones Community Service Program Specialist (804) 726- 7920

Email NAP at NAP@DSS.virginia.gov